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REPORT
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ACQUIRED IMMUNE DEFICIENCY SYNDROME SERVICE COORDINATION ACT OF 1986

JULY 23 (legislative day, JULY 21), 1986.—Ordered to be printed

Mr. HATCH, from the Committee on Labor and Human Resources, submitted the following

REPORT

[To accompany S. 2345]

The Committee on Labor and Human Resources, to which was referred the bill (S. 2345) to authorize the Secretary of Health and Human Services to make grants for demonstration projects for networks of services relating to acquired immune deficiency syndrome, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and an amendment to the title, and recommends that the bill as amended do pass.

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I. SUMMARY OF BILL

As reported by the committee, S. 2345 would amend the Public Health Service Act by creating a new Part J (section 391) concerning acquired immune deficiency syndrome (AIDS). The new section would allow the Secretary of Health and Human Services to make grants to public and nonprofit private entities for demonstration

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projects on cost effective health and support systems for individuals who have AIDS or are infected with the AIDS virus. The services to be provided could include: (1) comprehensive ambulatory care services specific to the diagnosis and treatment of AIDS; (2) home health care services, hospice services and respite care services; (3) counseling and mental health services; (4) case management services; and (5) education for health personnel concerning AIDS and infection with the AIDS virus.

Any entity wishing to receive a grant for a demonstration project must submit an application to the Secretary. The new section authorizes appropriations of $40,000,000 for fiscal year 1987. Grants made under this new section may not exceed $1,000,000. The Secretary may not make grants to any entity which has received a grant under section 301 of the Public Health Service Act for a demonstration project on the delivery of health care services to AIDS victims. Applications from areas with a current or projected high incidence of AIDS will be given special consideration by the Secretary. Grants made under section 391 may not be used for construction or renovation, reduction of previous deficits, payment for items or services covered by the Social Security Act, or payment for inpatient hospital services.

The bill also directs the Secretary to conduct a survey to determine the total number of U.S. children with AIDS who have been abandoned by their parents, the problems encountered by social service agencies in placing children with AIDS in foster care, and recommendations for improving the care of children with AIDS who lack parental involvement and support.

II. Background and Need for Legislation

AIDS is a newly observed medical syndrome which impairs the immune system and leaves affected individuals susceptible to infections and cancer that would not be a threat to those whose immune systems were functioning normally. AIDS was initially recognized and described by health officials in the summer of 1981. Since that time, over 22,000 cases of AIDS in the United States have been reported to the Centers for Disease Control (CDC), primarily among male homosexuals and intravenous drug abusers. The actual number of AIDS cases is higher, perhaps much higher, than the official CDC statistics. CDC estimates that 20 percent of AIDS cases are not being reported. There is also an undercounting by CDC itself because the definition of reportable AIDS is narrower than the actual clinical cases that occur.

For every known case of AIDS, between 50 and 100 people are thought to be infected with the AIDS virus but have not yet experienced any symptoms. How many of these individuals (now numbered at 1 to 2 million) will go on to develop AIDS is unknown, but current estimates are that 25 to 30 percent will develop signs and chronic symptoms of the disease within five years. Other researchers think that eventually 100 percent of those infected with the AIDS virus will be affected in some way by the virus.

Symptoms may not appear for as long as seven years following infection and during this "incubation period" the infected individual may unknowingly spread the virus to others. Once infected, an

individual carries the AIDS virus for life. Although the virus has been found in blood, semen, sweat, breast milk, vaginal secretions, saliva and tears, it is believed to be transmitted primarily through sexual intercourse. Researchers think that individuals are probably most contagious very early in the course of the infection, and therefore the virus is usually passed on by a seemingly healthy sexual partner.

In the United States, AIDS continues to strike mainly male homosexuals (73 percent of AIDS cases) and intravenous drug abusers (17 percent of AIDS cases). However, most researchers are convinced that the peril of AIDS reaches far beyond the currently identified high risk groups. The percentage of new AIDS cases in the United States spread by heterosexual contact has doubled since 1984 from 1.1 percent to 2.1 percent during the first four months of 1986. The Public Health Service predicts a continued increase in the proportion of AIDS cases diagnosed in heterosexuals over the next five years.

Preliminary studies on American military recruit applicants by the Walter Reed Institute of Research indicate that young Americans were infected with the AIDS virus at higher rates than expected by most experts. In addition, the sex ratio of the infected recruits was 5 men to 2 women, much lower than the ratio of 13 to 1 found in AIDS cases to date. In New York City, the male to female ratio of AIDS infection among recruits was close to one to one (1.2 to 0.9). These numbers point to an increase in the spread of AIDS among heterosexuals.

Patients with AIDS do not recover from their immunodeficiency. They may recover from a specific infection only to develop another. One recent study showed that 14 percent of AIDS patients died during their initial hospitalization. Of those that survive the first hospital visit, 59 percent had spent more than 30 percent of their remaining time in the hospital and 40 percent spent more than half of their time in the hospital. The average length of stay and cost of hospitalization are three times greater for AIDS patients than typical non-AIDS patients.

A CDC study published in January 1986 estimated that the average AIDS patient is hospitalized for a total of 168 days resulting in expenditures of $147,000 per patient. Another more recent study, which focused on AIDS cases in San Francisco General Hospital during 1984, estimated that the total lifetime cost of hospitalization for an AIDS victim ranged from $60,000 to $75,000. These lower cost estimates reflect the reduced treatment costs achieved at San Francisco General Hospital, the first to replace expensive intensive care for AIDS patients with an increased emphasis on outpatient care. However, the costs of caring for AIDS patients continues to very widely across the country.

A Public Health Service report released on June 5, 1986, predicted that in five years AIDS will be one of the top ten causes of death in the country. By the end of 1991, a cumulative total of 270,000 AIDS cases will have been diagnosed and approximately 5 million Americans will have been infected with the virus. During 1991, the report projects 145,000 Americans will seek treatment for AIDS at a cost of between $8 billion and $16 billion, or approximately 2.5 percent of total personal health care expenditures in

this country. This cost projection is based on the assumption that the average cost per patient will be about $46,000, a figure derived from current health care costs for AIDS patients in the San Francisco area. However, this figure may be unrealistically low because the gay community in San Francisco provides support and home care services for AIDS patients, making their average cost lower than the national average.

The Public Health Service predicts that despite the best efforts of our country's scientists, there will be neither an effective vaccine nor a means of preventing an infected person from developing AIDS before 1990. Until such mechanisms become available, AIDS victims must be treated with humaneness and compassion. However, their care must be administered rationally and effectively in order to make the most efficient use of the country's health care dollars.

Only recently private and public sector initiatives to stimulate development of alternative modes of health care delivery to those infected with the AIDS virus have been undertaken. The Robert Wood Johnson Foundation has set aside funds to support the establishment of as many as 10 projects for community-based specialized comprehensive health and supportive services for individuals with AIDS and AIDS-related disorders. In addition, the Department of Health and Human Services under section 301 of the PHS Act, as directed by the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education, has begun to implement four demonstration projects aimed at developing alternative AIDS service delivery methodologies. Grants as provided in S. 2345 will stimulate further creativity in the area of service delivery to AIDS patients.

Grants made under section 391 of the Public Health Service Act, as provided in S. 2345, would finance demonstration projects to establish cost effective networks of outpatient medical services for AIDS patients as an alternative to long-term hospital inpatient services which are proving to be inefficient and expensive. S. 2345 would also provide counseling and mental health services for AIDS patients and individuals who have a positive test for the AIDS virus and case management services to ensure that such individuals obtain the full range of available services. Education about AIDS and the AIDS virus would be provided for workers in occupations which bring them in contact with AIDS patients.

Lastly, the bill directs the Secretary of Health and Human Services to determine how many children with AIDS have been abandoned by their parents, and the problems encountered in placing such children in foster homes. As of June 30, 1986, CDC had received reports on a total of 310 cases of AIDS in children, of whom 189 are now deceased. The vast majority of children with AIDS (77%) acquired the disease from their parents, most of whom are IV drug abusers.

III. Hearings and History of S. 2345

On April 16, 1986, the committee held hearings on federal efforts in AIDS research, prevention and treatment and health policy in-

volving the public and private sector. The following individuals testified:

Donald Ian MacDonald, Acting Assistant Secretary for Health, Public Health Service, Department of Health and Human Services.

Walter Dowdle, Acting AIDS Coordinator, Public Health Service, Department of Health and Human Services.

J. Jarrett Clinton, Deputy Assistant Secretary of Defense for Professional Affairs and Quality Assurance.

Nathan Smith, National Hemophilia Foundation.

Jeffrey Levi, National Gay and Lesbian Task Force.

Helen G. Kushnick, American Foundation for AIDS Research.

Harvey V. Fineberg, Harvard School of Public Health.

Ann E. Scitovsky, Palo Alto Medical Foundation.

Barbara Lautzenheiser, Trans American Occidental Life Insurance Company, Health Insurance Association of America.

On April 21, 1986, S. 2345, the Acquired Immune Deficiency Syndrome Counseling, Education, and Services Act of 1986 was introduced in the Senate by Senator Kennedy and referred to the Committee on Labor and Human Resources. On June 25, 1986, the committee met and ordered the bill to be reported favorably to the Senate with an amendment in the nature of a substitute.

IV. Text of Bill as Reported

Strike all after the enacting clause and insert the following:

FINDINGS

SEC. 2. The Congress finds that:

(1) Acquired immune deficiency syndrome is a catastrophic disease and public health problem with consequences which pose significant challenges to American society. It has been declared the Nation's "number one public health priority".

(2) As of June 1986, over 21,500 cases of acquired immune deficiency syndrome have been reported. According to estimates by the Public Health Service, by 1991 there may be 196,000 cases of acquired immune deficiency syndrome and 125,000 deaths from acquired immune deficiency syndrome. The number of Americans who are infected with the AIDS virus is currently estimated to be between 1,000,000 and 1,500,000 individuals.

(3) The Public Health Service estimates that by 1991, the direct costs to provide health care for individuals with acquired immune deficiency syndrome will be between $8,000,000,000 and $16,000,000,000. In 1986, it is estimated the United States will spend between $870,000,000 and $1,300,000,000 for health care for individuals with acquired immune deficiency syndrome.

(4) The costs of caring for individuals with acquired immune deficiency syndrome are disproportionately paid for in certain urban centers. As of June 1986, there are 23 cities in which there are at least 100 cases of acquired immune deficiency syndrome and 1,000 cases of acquired immune deficiency syndrome related complex. Careful coordination of health services has significantly reduced the cost of providing health care in some urban centers.

IMPROVED CARE AND TREATMENT

SEC. 3. Title III of the Public Health Service Act is amended by adding at the end thereof the following new part:

"Part J—Acquired Immune Deficiency Syndrome

"DEMONSTRATION PROJECTS FOR ACQUIRED IMMUNE DEFICIENCY SYNDROME

"SEC. 391. (a) The Secretary may make grants to public and nonprofit private entities for demonstration projects for the development, establishment, or expansion in service areas of coordinating networks for the provision of comprehensive and cost-effective health and support systems for eligible individuals. Services to be provided through each such network shall include—

"(1) comprehensive ambulatory care services specific to the diagnosis and treatment of acquired immune deficiency syndrome;

"(2) home health care services, hospice services, and respite care services;

"(3) counseling and mental health services;

"(4) case management services; and

"(5) education for health personnel concerning acquired immune deficiency syndrome and concerning infection with the AIDS virus.

"(b) A grant made under this section shall not be used for—

"(1) the construction or major renovation of facilities;

"(2) the payment or reduction of deficits of an entity which resulted from obligations which were incurred by the entity prior to the date on which the entity receives payment under a grant under this section;

"(3) payment for items and services for which payment may be made under title XVIII of the Social Security Act or under a State plan approved under title XIX of such Act; or

"(4) payment for inpatient hospital services.

"(c) No grant may be made under this section for a demonstration project unless an application therefor is submitted to the Secretary in such form and at such time as the Secretary may prescribe. Each such application shall contain—

"(1) information demonstrating—

"(A) that existing resources in the service area to be served by the demonstration project are insufficient to meet the needs of such service area for care and treatment of eligible individuals; and

"(B) that the entity applying for the grant has a successful record of managing projects which provide a variety of health services;

"(2) assurances that appropriate local health care providers and voluntary organizations have been consulted in development of the application for the grant;

"(3) evidence of coordination with, and support for the application for such grant by, local public health authorities;

"(4) assurances that the network to be supported by the grant will have appropriate relationships with an academic health center;

"(5) assurances that such network will make every reasonable effort to collect appropriate reimbursement for health services provided by or through such network to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

"(6) assurances that Federal funds made available under this section for any period will be used to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the services for which funds are provided under this section and will in no event supplant such State, local, and other non-Federal funds;

"(7) a description of the manner in which the entity applying for a grant under this section will evaluate the services and activities provided by or through the network to be developed, established, or expanded with such grant; and

"(8) such other information as the Secretary may prescribe.

"(d) In making grants under this section, the Secretary shall give special consideration to applicants from service areas with current or projected high incidences of eligible individuals, including service areas with current or projected high incidences of eligible individuals who are children or who are intravenous drug abusers.

"(e) The Secretary may not make a grant under this section in any fiscal year to any entity which receives or has received a grant under section 301 of this Act pursuant to the provisions of Public Law 99-178 for a project demonstrating the delivery of health care services to victims of acquired immune deficiency syndrome.

"(f) No grant under this section for any fiscal year may exceed $1,000,000.

"(g) For purposes of this section—

"(1) the term 'eligible individual' means any individual who has acquired immune deficiency syndrome or any individual who is infected with the AIDS virus;

"(2) the term 'nonprofit private entity' means an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954 (other than a private foundation as defined in section 509(a) of such Code); and

"(3) the term 'service area' means a metropolitan area which has a significant incidence of acquired immune deficiency syndrome, as determined by the Secretary.

"(b) To carry out this section, there are authorized to be appropriated $40,000,000 for fiscal year 1987. Amounts appropriated under this section shall remain available for obligation or expenditure until September 30, 1988.".

SURVEY ON CHILDREN WITH ACQUIRED IMMUNE DEFICIENCY SYNDROME

SEC. 3. The Secretary of Health and Human Services shall conduct, or shall provide for the conduct of, a survey to determine—

(1) the total number of children in the United States with acquired immune deficiency syndrome who have been abandoned by their parents and are living in hospital environments;

(2) the total number of children in the United States with acquired immune deficiency syndrome who have been placed in foster care;

(3) the problems encountered by social service agencies in placing children with acquired immune deficiency syndrome in foster care; and

(4) recommendations for improving the care of children with acquired immune deficiency syndrome who lack ongoing parental involvement and support.

Amend the title so as to read:

To authorize the Secretary of Health and Human Services to make grants for demonstration projects for networks for services relating to acquired immune deficiency syndrome, and for other purposes.

V. COMMITTEE VIEWS

A. *General Comments.* The Labor and Human Resources Committee reports an amended version of S. 2345 as a timely and important measure designed to facilitate progress in our nation's war against the Acquired Immune Deficiency Syndrome (AIDS).

AIDS is a catastrophic disease and public health problem which poses significant challenges to American society and difficult health policy choices to legislators. It has been declared the national "number one public health priority."

In June 1986, the Public Health Service reported that over 20,000 cases of AIDS had been reported in the United States since the disease was recognized in 1981. The Public Health Service conservatively estimated that that number would increase tenfold by 1991. Moreover it predicted that the annual direct costs of providing health care to individuals afflicted with AIDS would rise from its present $870 million to $1.3 billion range, to between $8 and $16 billion. The economic burden of caring for individuals with AIDS is currently borne and will continue to be borne in the future disproportionately by certain urban centers.

While basic scientific advances in AIDS research continue to be made, it is clear from the Committee hearings of April 16, 1986 that an AIDS cure and an AIDS vaccine are not likely to be forthcoming in the near future. Until a cure or vaccine for AIDS become available, it will be necessary to foster development of high quality, cost effective means of caring for large numbers of individ-

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uals with AIDS. In addition, it will be necessary to use education to contain and prevent spread of AIDS infection and AIDS fear.

Given the federal government's responsibility to deal with epidemics and public health emergencies, the Committee decided that it was appropriate for the federal government to authorize a one time only program of demonstration grants to give areas, with both currently high and projected high incidences of AIDS, initial funding to begin to address the health care delivery aspects of this crisis. S. 2345, as amended, provides the Secretary of the Department of Health and Human Services with the authority to make grants for establishing coordinating networks to develop ambulatory health services for individuals who have been diagnosed as having AIDS or being infected with the AIDS virus. The Committee believes that federal seed money for developing this type of activity is appropriate and represents a sound federal response to the AIDS crisis.

The Committee chose to support local planning for this rapidly growing public health emergency in the form of a demonstration program. It chose not to establish a new categorical grant program, as originally proposed by S. 2345, because of concerns that such an approach would establish a precedent of government financing of health services for a single catastrophic disease. The Committee felt that it was not setting such a precedent in the passage of this legislation.

B. *Purpose of Legislation.* This legislation aims to provide seed money to facilitate development of innovative methods for delivering high quality, cost effective health care to individuals with AIDS and to encourage dissemination of up-to-date information about AIDS to health-care personnel.

More specifically, the bill has been designed:

(1) to encourage those population centers with a growing number of individuals infected with the AIDS virus to establish coordinating networks of comprehensive health services which will provide, in the most cost-effective manner, the full range of services required by individuals with AIDS;

(2) to encourage outpatient services for individuals infected with the AIDS virus instead of relying extensively on more expensive inpatient hospital services;

(3) to encourge innovative care of children with AIDS and drug-abusers with AIDS; and

(4) to ensure the provision of current information for health personnel involved in the care of individuals with AIDS.

C. *Specific Comments on Legislation.* This legislation is intended to foster the development of innovative demonstration projects of coordinating networks for comprehensive AIDS health services where they are needed nationwide. Because AIDS is distributed disproportionately in certain urban centers, funding priority should be given to public and non-profit private entities in those 23 urban centers in which there are 100 or more AIDS cases and in which a need for AIDS services can be demonstrated. Innovative demonstration projects from other urban centers or areas in which AIDS cases fall short of the 100 cases threshold, while not of highest funding priority, should not be discouraged, and an appropriate number of such grants as determined by the Secretary, should be funded.

Grantees under this act may not simultaneously receive funds pursuant to provisions of Public Law 99-178 for a project demonstrating the delivery of health care services to persons with AIDS. However, it is the Committee's expectation that these grants will be administrated in the same fashion as those under P.L. 99-178. In addition, if more than one grant (including comparable grants by the Robert Wood Johnson Foundation) is awarded in a standard metropolitan statistical area, it is expected that grantees will coordinate with each other to the extent feasible. A grantee may use funds to expand services already being coordinated if more support will provide more service.

Services to be provided through each demonstration project must include those described in Section 391(a). Other reasonable ambulatory or home care services, such as dental services, for example, may be provided as well to any individual with AIDS or any individual who has been infected with the AIDS virus. It is also expected that networks will coordinate with and refer to appropriate inpatient hospital services. Educational services for health personnel who treat or come in contact with people with AIDS should be provided by each grantee. Where appropriate such education may be extended to include those who offer posthumous services.

Grant funds may not be used for those purposes outlined in Section 391(b). In addition, although it was the sense of the Committee that the use of grant funds for direct payment of unreimbursable items and services was permissible, each grantee should make a good faith effort to identify alternative local resources for such necessary payments. It was felt that a prohibition of the use of grant funds for payment for services of eligible persons without the financial means would unnecessarily undercut the ability to provide comprehensive services, undermine the flexibility of the demonstration projects and prevent development of innovative and useful new programs. In instances when the grant funds are used for such purpose, the Secretary should closely scrutinize the rationale and cost-efficacy of such use.

The Committee recognizes that the chances of success of a given demonstration project depends on the degree to which the input and support of community groups, local government and state government have been sought and obtained in preparing the project proposal. The Secretary should assure in the grant review process that evidence of such input and support of the coordinating networks be clearly documented. The Committee feels that one mechanism for assuring such input and support of the demonstration project would be the establishment of a network advisory committee composed, for example, of local representatives of health care professionals, health care institutions, major voluntary organizations, religious organizations, governmental agencies, and individuals with AIDS or AIDS virus infection.

Other assurances outlined in Section 391(c) were viewed by the Committee as necessary to assure appropriate evaluation of the project, access of eligible individuals to clinical trials of AIDS medications or vaccines conducted at academic health centers, continuation of the project after the period of federal funding has come to a close, appropriate stewardship of federal funds, and special consideration of innovative projects concerned with children with

AIDS or drug abusers with AIDS. There was particular concern expressed by Committee members about children with AIDS who have been abandoned by their parents. It is expected that at least one or two grantees will specifically address this problem.

Amounts appropriated under the $40 million authorization ceilings of this bill for fiscal year 1987 remain available for obligation or expenditure until the close of fiscal year 1988. Individual grantees are not required to adhere to this 2 year authorization limitation.

VI. Votes in Committee

The motion to favorably report the bill to the Senate was passed unanimously by voice vote in Executive Session of the Committee on Labor and Human Resources on June 25, 1986.

VII. Budget Estimate

U.S. Congress,
Congressional Budget Office,
Washington, DC, July 8, 1986.

Hon. Orrin G. Hatch,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached cost estimate for S. 2345, the Acquired Immune Deficiency Syndrome Service Coordination Act of 1986, as ordered reported by the Senate Committee on Labor and Human Resources on June 25, 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

Rudolph G. Penner, *Director.*

Congressional Budget Office Cost Estimate

1. Bill number: S. 2345
2. Bill title: Acquired Immune Deficiency Syndrome Service Coordination Act of 1986.
3. Bill status: As ordered reported by the Senate Committee on Labor and Human Resources on June 25, 1986.
4. Bill purpose: To authorize the Secretary of Health and Human Services to make grants for demonstration projects for networks for services relating to acquired immune deficiency syndrome.
5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1987	1988	1989	1990	1991
Authorization level	40				
Outlays	23	17			

The costs of this bill fall within budget function 550.

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Basis of Estimate: The authorization level for demonstration projects is stated in the bill. CBO assumes that all authorized amounts are fully appropriated at the beginning of each fiscal year. Outlays are estimated using spendout rates computed by CBO on the basis of similar health service program data.

Section 3 of the bill would require the Secretary of Health and Human Services to conduct a survey on children with acquired immune deficiency syndrome in need of foster care. It is expected that the provision would not result in significant additional cost to the federal government.

6. Estimated cost to State and local government: The budgets of state and local governments would not be affected directly by the enactment of this bill. The bill specifically states that federal funds made available would be used to supplement, and not supplant any state, local, or other non-federal funds otherwise made available for such services.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Carmela Dyer (226-2820).

10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

VIII. Regulatory Impact Statement

The Committee has determined that inasmuch as this is a new authority, there will be a moderate burden imposed on the Executive Branch of government. New regulations will have to be developed, published for public comment, and a competitive grant program conducted. However, this is not considered a permanent authority and is intended to expire when the demonstration programs are funded after FY 88.

IX. Section-by-Section Analysis

The bill provides that the Act may be cited as the "Acquired Immune Deficiency Syndrome Service Coordination Act of 1986."

Section 2 of the bill lists the following four findings:

(1) acquired immune deficiency syndrome (AIDS) is a catastrophic disease and an unprecedented public health problem;

(2) as of June 1986, over 21,500 cases of AIDS have been reported, and by 1991, 196,000 cases are expected with 125,000 deaths;

(3) the Public Health Service estimates that by 1991 health care costs due to AIDS will be between $8 billion and $16 billion; and

(4) the costs of caring for AIDS victims are disproportionately paid for in certain urban centers.

Section 3 of the bill amends Title III of the Public Health Service Act by adding Part J—Acquired Immune Deficiency Syndrome. Part J would contain one section, section 391, Demonstration Projects for Acquired Immune Deficiency Syndrome.

The new section 391(a) authorizes the Secretary to make grants to public and nonprofit private entities for demonstration projects on cost-effective health and support systems for individuals who

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have AIDS or are infected with the AIDS virus. The services to be provided shall include:

(1) comprehensive ambulatory care services specific in the diagnosis and treatment of AIDS;

(2) home health care services, hospice services, and respite care services;

(3) counseling and mental health services;

(4) case management services; and

(5) education for health personnel concerning AIDS and infection with the AIDS virus.

The new section 391(b) requires that grants made under this section shall not be used for construction or renovation, reduction of previous deficits, payment for items or services covered by title XVIII or title XIX of the Social Security Act, or payment for inpatient hospital services.

The new section 391(c) requires that an entity wishing to receive a grant for a demonstration project must submit an application to the Secretary. Each application must contain:

(1) information demonstrating insufficient resources for the care and treatment of AIDS patients, and that the applicant has a successful record of managing other health service projects;

(2) assurances that local health care providers and voluntary organizations have been consulted in the development of the grant;

(3) evidence of coordination with and support of local public health authorities;

(4) assurances of interactions with an academic health center;

(5) assurances that the applicant will attempt to collect reimbursement for health services provided to persons with insurance benefits;

(6) assurances that funds made available under this section are in addition to State, local and other non-Federal funds and will not supplant such State, local, and other non-Federal funds;

(7) a description of how the applicant will evaluate the services provided with such grant.

The new section 391(d) provides that the Secretary shall give special consideration to applicants from areas with a current or projected high incidence of AIDS.

The new section 391(e) requires that the Secretary may not make grants to any entity which has received a grant under section 301 of the Public Health Service Act for a demonstration project on the delivery of health care services to AIDS victims.

The new section 391(f) stipulates that grants made under this section may not exceed $1,000,000.

The new section 391(g) provides definitions for eligible person, nonprofit private entity and service area.

The new section 391(h) authorizes appropriations of $40,000,000 for fiscal year 1987, and specifies that amounts appropriated may remain available through fiscal year 1988.

Section 3 of the bill directs the Secretary to conduct a survey to determine the total number of U.S. children with AIDS who have

been abandoned by their parents and are living in hospitals or have been placed in foster care, the problems encountered by social service agencies in placing children with AIDS in foster care, and recommendations for improving the care of children with AIDS who lack parental involvement and support.

X. Changes in Existing Law

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Public Health Service Act

* * * * * * *

TITLE III—GENERAL POWERS AND DUTIES OF PUBLIC HEALTH SERVICE

* * * * * * *

Part J—Acquired Immune Deficiency Syndrome

DEMONSTRATION PROJECTS FOR ACQUIRED IMMUNE DEFICIENCY SYNDROME

Sec. 391. (a) The Secretary may make grants to public and nonprofit private entities for demonstration projects for the development, establishment, or expansion in service areas of coordinating networks for the provision of comprehensive and cost-effective health and support systems for eligible individuals. Services to be provided through each such network shall include—

(1) comprehensive ambulatory care services specific to the diagnosis and treatment of acquired immune deficiency syndrome;

(2) home health care services, hospice services, and respite care services;

(3) counseling and mental health services;

(4) case management services; and

(5) education for health personnel concerning acquired immune deficiency syndrome and concerning infection with the AIDS virus.

(b) A grant made under this section shall not be used for—

(1) the construction or major renovation of facilities;

(2) the payment or reduction of deficits of an entity which resulted from obligations which were incurred by the entity prior to the date on which the entity receives payment under a grant under this section;

(3) payment for items and services for which payment may be made under title XVIII of the Social Security Act or under a State plan approved under title XIX of such Act; or

(4) payment for inpatient hospital services.

(c) No grant may be made under this section for a demonstration project unless an application therefor is submitted to the Secretary

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in such form and at such time as the Secretary may prescribe. Each such application shall contain—

(1) information demonstration—

(A) that existing resources in the service area to be served by the demonstration project are insufficient to meet the needs of such service area for care and treatment of eligible individuals; and

(B) that the entity applying for the grant has a successful record of managing projects which provide a variety of health services;

(2) assurances that appropriate local health care providers and voluntary organizations have been consulted in development of the application for the grant;

(3) evidence of coordination with, and support for the application for such grant by, local public health authorities;

(4) assurances that the network to be supported by the grant will have appropriate relationships with an academic health center;

(5) assurances that such network will make every reasonable effort to collect appropriate reimbursement for health services provided by or through such network to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

(6) assurances that Federal funds made available under this section for any period will be used to supplement and increase the level of State, local, and other non-federal funds that would in the absence of such Federal funds be made available for the services for which funds are provided under this section and will in not event supplant such state, local, and other non-Federal funds;

(7) a description of the manner in which the entity applying for a grant under this section will evaluate the services and activities provided by or through the network to be developed, established, or expanded with such grant; and

(8) such other information as the Secretary may prescribe.

(d) In making grants under this section, the Secretary shall give special consideration to applicants from service areas with current or projected high incidences of eligible individuals, including service areas with current or projected high incidences of eligible individuals who are children or who are intravenous drug abusers.

(e) The Secretary may not make a grant under this section in any fiscal year to any entity which receives or has received a grant under section 301 of this Act pursuant to the provisions of Public Law 99-178 for a project demonstrating the delivery of health care services to victims of acquired immune deficiency syndrome.

(f) No grant under this section for any fiscal year may exceed $1,000,000.

(g) For purposes of this section—

(1) the term "eligible individual" means any individual who has acquired immune deficiency syndrome or any indivdiuals who is infected with the AIDS virus;

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(2) the term "nonprofit private entity" means an organization which is exempt from taxation under 501(c)(3) of the Internal Revenue Code of 1954 (other than a private foundation as defined in section 509(a) of such Code); and

(3) the term "service area" means a metropolitian area which has a significant incidence of acquired immune deficinecy syndrome, as determined by the Secretary.

(h) To carry out this section, there are authorized to be appropriated $40,000,000 for fiscal year 1987. Amounts appropriated under this section shall remain available for obligation or expenditure until September 30, 1988.

SURVEY ON CHILDREN WITH ACQUIRED IMMUNE DEFICIENCY SYNDROME

SEC. 3. The Secretary of Health and Human Services shall conduct, or shall provide for the conduct of, a survey to determine—

(1) the total number of children in the United States with acquired immune deficiency syndrome who have been abandoned by their parents and are living in hospital environments;

(2) the total number of children in the United States with acquired immune deficiency syndrome who have been placed in foster care;

(3) the problems encountered by social service agencies in placing children with acquired immune deficiency syndrome in foster care; and

(4) recommendations for improving the care of children with acquired immune deficiency syndrome who lack ongoing parental involvement and support.

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